



# Falcon Financial of Oklahoma, LLC

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*2019 Annual Disclosure Brochure (Part 2A of Form ADV) for CRD#144612*

January 22, 2019

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**This brochure provides information about the qualifications and business practices of Falcon Financial of Oklahoma, LLC (FFO). If you have any questions about the contents of this brochure, please contact us at 405.752.7072. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Falcon Financial of Oklahoma is a registered investment adviser. Registration of an Investment Adviser (IA) does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.**

**Additional information about Falcon Financial of Oklahoma, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 List of Material Changes - 2019 Since October 29, 2018

Form ADV Part2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. Each year registered investment advisers are required to provide prospects and all clients requesting an updated brochure with the current updated brochure. If there are material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. This page discusses only the material changes made to the brochure since the last annual update filed October, 2018.

### **Material Changes for Falcon Financial of Oklahoma, LLC as of 1/22/2019.**

1. Falcon Financial of Oklahoma, LLC is now registered as an investment advisor in the State of Texas.
2. FFO managed 145 client accounts valued at \$29,812,076 and advised on \$6,173,057 in retirement accounts and annuities we did not directly manage as of December 31, 2018.

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#### **Item 4 Advisory Business, Company Information, Description of Services**

COMPANY: Falcon Financial of Oklahoma, LLC (FFO)  
Start Date: July 1, 2007  
Registered Investment Advisor registered in Oklahoma.

OWNER/MANAGER: Christi S. Powell, CFP®

ADDRESS: 14809 Carlingford Way  
Edmond, OK 73013

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ADVISORY  
BUSINESS: The business of Falcon Financial of Oklahoma, LLC is to provide:

1. Wealth Management
2. Financial Planning
3. Investment Management

#### **Business:**

FFO is actively engaged in comprehensive financial planning and portfolio management services. FFO does not sell products for commissions. Principal business is wealth and investment management which is provided on a continuous basis. The investment advice is custom tailored to meet the needs and investment objectives of the client. Subject to any written guidelines, which the client may provide, FFO manages client accounts in consultation and with approval of the client. Clients are responsible for brokerage commissions and exchange fees charged by their brokerage firm.

Once the portfolio is constructed, FFO provides supervision and re-optimization (rebalancing) of the portfolio as changes in the market conditions and client circumstances may require. In some circumstances, FFO may enter into discretionary arrangements with its clients where FFO executes trades without prior client authorization.

#### **Wealth Management Program**

Wealth Management is the process of meeting your life goals through the development and proper management of your financial resources. Life goals may include buying a home, saving for college, planning for retirement, or wealth accumulation. Our Wealth Management services include both Financial Planning and Investment Management on an ongoing basis.

#### **Financial Planning**

FFO offers financial planning services to individuals, families, trusts, estates, small businesses, non-profit organizations, corporations and other business entities that are tailored to the complexity of their needs and assets.

The services can include:

- Cash Flow Planning
- Retirement Planning
- Investment Planning
- Tax Planning
- Insurance Review
- Estate Planning
- Education Planning
- Business Continuity Planning

Additional consultation concerning debt management, non-security asset(s) purchase or sale, such as rental real estate or vehicles, and personal document management is also available. Fee arrangements are discussed in the following pages.

The financial planning process consists of a series of steps taken to help you, our client, accomplish your goals. An Investment Adviser Representative (IAR) of FFO conducts an initial complimentary consultation. If all parties agree to the scope of the engagement and the fee, the IAR conducts a follow-up meeting to gather all required documents and pertinent information about your financial circumstances, your objectives, personal cash flow, taxes, insurance coverage, retirement plans, investments, estate documents, financial experience and risk tolerance. Once all the information has been reviewed and analyzed, a written financial plan is designed to help you achieve your stated financial goals and is presented to you with extensive explanation. Ongoing updating and refining is done when your circumstances or goals change or there is a pertinent change in the law affecting you or your assets. The primary objective of the financial planning process is to allow FFO to assist you in developing a strategy for the successful management of income, assets and liabilities to meet your financial goals and objectives through discussion and analysis of appropriate financial planning topics as generally defined by the CFP® Board of Standards. At periodic reviews or more frequently if your needs change, additional updating of the plan will be discussed and implemented with your input and approval. In other words, we help your plan how to retire successfully and then stay comfortably retired.

### **Termination Provisions**

FFO or the client may terminate the financial planning agreement within five days of the date of acceptance of the contract without penalty to the client. Thereafter, the client will incur a pro rata charge for financial planning services rendered prior to such termination. After the initial five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, FFO will return a pro rata share to the client.

### **Additional Fees and Expenses**

FFO's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by manager, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to FFO's fee and FFO shall not receive any portion of these commissions, fees and costs.

FFO offers educational financial seminars to other financial professionals, the general public, non-profit organizations, and companies/corporations/partnerships. If there is a speaking fee, it is negotiated with the organization and is based on the complexity of the topic and the amount of original research required.

### **Investment Management**

FFO provides on-going investment management services to our clients. We charge a fee for our services based on assets under management as well as on an hourly basis. The management is done by individuals appropriately licensed, qualified and authorized by FFO to provide advisory services. Such persons are known as Investment Adviser Representatives (IARs). As of the date of this writing, the only IAR at FFO is the owner, Christi Powell.

Portfolio management services are provided on a continuous basis and are tailored to meet the needs and objectives of the client(s). The management can be 1.) discretionary, meaning the IAR has an agreed upon authority to trade, or 2.) non-discretionary, meaning the client and IAR have agreed upon the security being traded (bought or sold) prior to placing the trade. IAR places trades, monitors investments, conducts ongoing research and suggests a custodian (broker or dealer) to execute the trades and provide independent statements.

During the financial planning process, we determine the portfolio model needed to meet the client's goals. We use a risk tolerance questionnaire and ongoing conversations to help determine the client's level of comfort with portfolio volatility. We also examine their ability to tolerate volatility using a holistic view of their time frame, liquidity needs, marketability needs, net worth, employment, tax bracket and current income sources and living expenses need.

### **Types of Investments**

Falcon Financial of Oklahoma, LLC offers advice and consultation concerning the following types of investment products:

- Exchange-listed securities (individual companies, exchange traded funds (ETF), traded funds (ETF), open ended Mutual Funds, closed-end mutual funds (CEF))

- Securities traded over-the-counter

- Foreign issuers (ADR)

- Warrants

- Corporate debt securities (other than commercial paper)

- Commercial paper

- Certificates of deposit

- Municipal securities

- Insurance: Life, Disability, Long term care

- Annuities

- United States government securities

- Option contracts on securities and commodities

- Interests in partnerships investing in real estate, oil and gas interests

In addition, FFO reserves the right to advise clients on any other investment that it deems appropriate based on the client's stated goals and objectives. FFO may also provide advice about any type of investment held in a client's portfolio at the inception of the advisory relationship.

Clients may specify restrictions on investments as a percentage of total portfolio value, exposure to specific industries, companies or geographic regions or exclude investments or brokerages according to their personal preferences.

At the end of 2018, Falcon Financial of Oklahoma, LLC managed 145 client accounts with an aggregate value of \$29,812,076. Approximately, \$14,592,260 is managed on a discretionary basis, and \$15,219,816 on a non-discretionary basis. We also advise on, but do not directly manage, \$6,173,457 in employer provided retirement accounts and annuities.

### **Item 5 Fees and Compensation**

FFO provides services on a Fee-Only basis. At no time does FFO or any associated person receive compensation from securities, insurance or other financial product sales.

The specific manner in which fees are charged by FFO is established in a client's written agreement with FFO. After the planning fee, FFO will bill its ongoing fees on a quarterly basis in arrears. Accounts terminated during a calendar quarter will be charged a prorated fee. (A 30 day notice is required when terminating an account.)

#### **Financial Planning Fees**

Falcon Financial of Oklahoma, LLC charges a planning fee ranging between \$800 and \$6,000 (hourly rate based on \$150.00 per hour) for comprehensive or modular financial planning as described above. Fifty percent (50%) is due when the engagement contract is signed and all the required documents and information have been delivered to FFO. Fifty percent is due upon delivery of the financial plan. A refund is made available to a client if client requests termination of services within five (5) business days of effective date of contract and if services have not yet begun. To effect termination, client must notify Adviser in writing.

#### **Wealth/Investment Management Fees**

Falcon Financial of Oklahoma, LLC charges a fee for ongoing wealth management/investment supervisory services. Adviser is compensated at the following annual rate due and payable quarterly in arrears: (1) On the first \$250,000 under management: 1.00% of the asset value of investments allocated to cash/cash equivalents, fixed-income securities or mutual funds and common stock, common stock mutual funds and other investments seeking capital appreciation; (2) from \$250,001 to \$500,000 the fee is 0.75%; (3) over \$500,000 the fee is 0.50%. Investment assets include all marketable securities, investment real estate, limited partnerships, self-directed qualified retirement plans, employer provided retirement accounts and the cash value of variable insurance products. See example below.

Investable Assets Up To	Annual Percentage	Annual Fee (e.g. \$1,000,000)
\$250,000	1%	\$ 2500 (\$625/Q)
\$250,001 to \$500,000	0.75%	\$1,875 (\$468.75/Q)
\$500,001 and up	0.50%	\$2,500 (\$625/Q)
Example \$1,000,000 assets	Approximately 0.688%	\$6,875 (\$1,718.75/Q)

A flat rate fee structure is also available if the client prefers. Clients must custody at Charles Schwab & Co. all non-employer provided accounts to use this fee structure. Once advised aggregate portfolio account values increase 15% from initial value and stay above that level for two consecutive quarters the fee will increase 15%. If the aggregate portfolio account values decrease 15% and stay below that level for two consecutive quarters the fee will decrease 15%. Flat rate varies from \$500 per year to \$20,000 per year depending on the complexity of client's financial assets.

The minimum fee charged is \$500 per year which includes a one-time, non-refundable setup fee of \$100 for new clients. Investment supervisory services may be terminated within five (5) business days of the effective date of contract. To affect termination, client must notify Adviser in writing and deliver the \$100 setup fee with written notification of termination. Any commission received by Falcon Financial of Oklahoma, LLC resulting from the purchase or sale of mutual funds will be credited to the Client and used to offset any fees.

Fees are negotiable. Fees are due in arrears, when billed. Fees are not automatically deducted from accounts. Clients should note that lower fees for comparable services may be available from other sources.

### **Additional Fees and Expenses**

Some investments, such as mutual funds, exchange-traded funds and closed-end funds charge management fees for their products. These are separate from Adviser fees and we do not receive any revenue sharing or 12b-1 fees. Some investments, such as exchange traded securities (stocks, closed-end funds, exchange-traded funds and notes, and bonds) involve a commission to the entity brokering the trade, e.g. Schwab. These are separate from Adviser fees and we do not receive any revenue sharing or incentive compensation. In addition, many brokerages charge an annual fee to maintain accounts, such as \$10/year per IRA. Client is responsible for paying these separately charged management fees and commissions.

### **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

## Item 7 Types of Clients

Our services are available to individuals, pension and profit-sharing plans, trusts, estates, and corporation or business entities other than those listed above. There is no minimum account requirement. We do have a minimum annual fee as described above.

## Item 8 Methods of Analysis

1. Fundamental
2. Technical
3. Modern Portfolio Theory (MPT)

**Fundamental analysis** is an analysis of the publicly available financial data about a company or a fund. It is an attempt to determine if the past performance of the company can reasonably be expected to continue in the future. It involves analyzing the industry the company is in and its competitors to attempt to find the strongest, best managed or insulated (moat) of the peers. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information may be incorrect and/or the analysis may not provide an accurate estimate of earnings. Revenues drive earnings and earnings drive stock prices. But earnings may be difficult to measure accurately. Securities also trade on rumor and new information and our analysis is thus less useful. Fundamental analysis is also backward looking and therefore may not be accurate and requires regular updating.

**Technical analysis** looks at the movement of a security through a time frame. It is an attempt to look for trends, strength and underlying market support implied by trading volume.

**Risks:** Technical analysis is also backward looking and therefore may not be accurate and requires ongoing monitoring.

**Modern Portfolio Theory (MPT)** is a more passive form of analysis centered on broad diversification across the major asset classes with some form of rebalancing back to the agreed upon percentage exposure. The expectation is that the value of these securities will grow over a long period of time (greater than one year).

**Risk:** MPT is also backward looking and emphasizes low cost indexing. Active management, including factor weighted investing, may have better results than passive investing.

The main sources of information used by Falcon Financial of Oklahoma, LLC are:

- Financial newspapers and magazines
- Research material prepared by others
- Corporate rating services
- Annual reports, prospectuses and filings with the Securities and Exchange Commission.



Adviser uses both free and subscription sources, such as Morningstar, Value Line and Schwab. There are no soft dollar benefits.

### **Investment Strategies:**

Once a security has been analyzed using the above listed methods and sources of information, FFO then implements investment decisions on an individual client basis. The investment strategies used to implement any advice given to clients include long term purchases (securities held at least one year) and short-term purchases (securities sold within one year). The primary strategy of Falcon Financial of Oklahoma, LLC is preservation of capital weighed against return available. Adviser uses active mutual fund managers with at least three years of experience with the fund. No-load mutual funds with below average costs, index funds and exchange-traded funds (ETFs) are chosen for conformity to their index, probability of risk reduction and cost. Individual securities are analyzed for quality of management, economic moat, valuation metrics, dividend and capital appreciation potential, and macroeconomic considerations. We pursue a buy and hold strategy as much as possible to lower costs.

**Long-term Purchases:** Securities purchased with the expectation the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** A long-term purchase strategy assumes the financial markets will go up in the long-term. That may not be the case. There is also the risk the segment of the market we are invested in or our specific security will go down over time even if the overall market advances. Purchasing investments long-term may create an 'opportunity cost' due to locking up assets that may be better utilized in the short-term in other investments.

**Short-term Purchases:** Securities purchased with the expectation they will be sold or expire within a relatively short time, generally less than one year.

**Risk:** Using a short-term purchase strategy generally assumes we can predict how markets will perform in the short-term, which may be very difficult and may incur higher transaction costs and taxes compared to long-term trading. There are many factors affecting market performance short-term including short-term interest rate changes, cyclical earnings announcements and 'black swan' events. These factors may have a smaller impact over longer periods of time.

Option selling (covered calls and/or cash-secured puts) is one such short-term investment used with clients, if their risk tolerance and knowledge level is appropriate, to generate income, insure purchase price and help mitigate market risk.

The client will determine the level of risk he/she desires. All investments involve risk, including the risk of loss of principal. Each type of security has its own unique set of risks. It is also impossible to predict the future performance of any investment. We use publicly traded securities for all investment strategies. Some securities may have a 'lock-up' period.

### **Risks of Loss:**

All investments are subject to risks, any of which could cause an investor to lose money.

Your principal risks include:

- Market Risk
- Management Risk
- Equity Risk
- Large and Mid-Cap Risk
- Small-Cap Risk
- Foreign Investment Risk
- Emerging Markets Risk
- Geographic Risk
- Derivatives Risk
- Securities Lending Risk
- REITs Risk
- Exchange Traded Fund (ETF) Risk
- Liquidity Risk
- Interest Rate Risk
- Inflation Risk
- Company Specific Risk
- Credit Risk
- Leverage Risk
- Currency Risk

Investing in securities involves risk of loss you should be prepared to bear. We do not represent or guarantee our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### **Item 9 Disciplinary Information**

None.

#### **Item 10 Other Financial Industry Activities And Affiliations**

Falcon Financial of Oklahoma, LLC does not have any arrangements that are material to its advisory business or its clients with a related entity such as a broker-dealer, insurance company or agency, or pension consultant. FFO does not do business under any other name. FFO manages all accounts in house. If we retain a third-party adviser at some point in the future, all fees associated with the decision, including those paid to the other adviser will be disclosed to the client prior to retaining that adviser. FFO would not receive any commission, kick-back or referral fee from the other firm. However, the other firm might receive a fee for the assets under management.

We have one office location only and all our records are kept at that location. We have a web site, [www.falconfinancialok.com](http://www.falconfinancialok.com). FFO did not buy this business from another entity and is not registered in any foreign country.

### **Publications/Articles:**

FFO provides articles and videos on investing and financial planning topics free of charge via our website and email. The purpose of the writings is to educate investors about investing terminology and strategy and personal financial planning concepts. In no case does any article recommend specific securities and a disclaimer is provided to that effect. Clients may choose to receive or decline the writings.

## **Item 11 Code of Ethics, Participation Or Interest In Client Transactions And Personal Trading**

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations concerning our practices. Our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm that are consistent with the laws and regulations. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Our Code of Ethics also requires certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation of Interest in Client Transactions**

Neither our firm nor any persons associate with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure. Falcon Financial of Oklahoma, LLC does not buy or sell for itself securities that it also recommends to clients.

### **Personal Trading Practices**

Persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. Principals may invest in what they recommend to clients but not to a degree that would influence the price. Purchases made by the Adviser for her own personal or family-related accounts will not be done in such a manner as to adversely affect a client's position or purchase with regard to the security in question. Most securities purchased by Adviser are individual securities, open-end and closed-end mutual funds or exchange-traded funds. Adviser also trades option contracts on stocks, indexes and exchange traded funds.

## Item 12 Brokerage Practices

### The Custodian and Brokers We Use

We do not maintain custody of your assets we manage. If we have authority to withdraw assets from your account the instructions must be instituted by you. To comply with the rule, withdrawals may only go to the name and address of the client of record or have specific direct client instructions and verification.

We recommend our clients use Charles Schwab & Co., a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab or any other broker-dealer or custodian. Schwab holds your assets in a brokerage account and buys and sells securities when we instruct them to do so. While we recommend you use Schwab, you will decide whether to do so. We will assist you in opening your accounts and transferring assets.

We also have separate retail logins at Fidelity and Vanguard.

Falcon Financial of Oklahoma, LLC is given “limited power of attorney” which permits the investment advisor to give instructions for securities transactions allowing said broker to rely on such instructions without first obtaining client approval. This has been interpreted as “discretionary authority”. FFO has a policy of asking a client for permission (approval) before executing a security transaction, regardless of the implied discretionary authority given to us by way of an account agreement. Options trading requires discretionary authority. Per our contract, options discretion is the only part of client accounts where FFO places discretionary trades.

Adviser occasionally aggregates trades among accounts or account holders. Adviser does not accept funds for client account(s) unless: 1. the check is made out to the client’s brokerage account, 2. Client signs a receipt for the funds, and 3. Adviser is able to deliver the funds electronically (Schwab) or to a local office or via certified mail within twenty-four (24) hours.

### **How We Select Brokers/Custodians**

We seek to select a custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs) etc.)
- availability of investment research and tools that assist us in making investment decisions quality of services.
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them.

- reputation, financial strength and stability of the provider their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab")

### **Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis. Here is a more detailed description of Schwab's support services:

**Services that Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assts. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that May Not Directly Benefit You:** Schwab also makes available to us other products and services that benefit us (FFO) but may not directly benefit you or your account. These products and services assist us in managing and administering our client's accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- may facilitate payment of our fees from our clients' accounts, and
- assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. The services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

Transactions for each client generally will be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share of all transactions and pay a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### **Item 13 Review of Accounts**

Investment accounts are reviewed each quarter for needed changes based on the client portfolio model. More frequent reviews may be triggered by market, economic, and/or political events. A change in the client's situation may also cause a review more frequently.

Investment reports sent to clients will provide portfolio performance and allocation. Clients have the option of receiving either quarterly reports available on the Falcon Financial of Oklahoma website in a secure client section or quarterly reports that are sent via the U.S. Postal Service. Christi Powell, CFP®, RICP® is the adviser responsible for reviews.

Client's holistic financial planning needs are addressed periodically during the year. Updates can either be written reports or discussions regarding specific planning needs a client may have. Reviews are performed by the advisor assigned to the client.

### **Item 14 Client Referrals and Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see item 12 – *Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving any particular investment advice, such as buying particular securities for our clients. Besides receiving referrals from clients, at times other professionals will refer clients to Falcon Financial of Oklahoma, LLC. FFO has no special arrangements with these professionals and provides no additional compensation to anyone referring clients to the firm.

### **Item 15 Custody**

FFO has chosen to directly bill our clients for services rendered rather than having your custodian directly debit your account(s) for the payment of our advisory fees. We rely on our clients to remit their payments upon receipt of their statements. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from your custodian at least quarterly and probably monthly. You should carefully review account statements for accuracy.

You should compare our account statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

### **Item 16 Investment Discretion**

Falcon Financial of Oklahoma, LLC has or accepts discretionary and/or non-discretionary authority for its client accounts. When managed on a discretionary basis, Falcon Financial of Oklahoma receives authority from the client to select the identity and an amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objective for the specific client account. If client prefers for Falcon Financial of Oklahoma, LLC to have a non-discretionary relationship, all transactions will be approved by client before being implemented. When selecting securities and determining amounts, FFO observes the investment policies, limitations and restrictions of the clients for which it advises. Any additional investment guidelines and restrictions must be provided to FFO in writing. For compliance purposes, any account with options trading ability is considered discretionary.

### **Item 17 Voting Client Securities**

As a matter of firm policy and practice Falcon Financial of Oklahoma, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any all securities maintained in client portfolios. FFO may provide advice to clients regarding the clients' voting of proxies. Clients should contact Christi Powell with any questions regarding any proxies they may have.

### **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$500 in fees six or more months in advance, nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

### **Item 19 Requirements For State Registered Advisers**

All persons providing investment advice through Falcon Financial of Oklahoma, LLC must be a CERTIFIED FINANCIAL PLANNER™ or be currently enrolled in the curriculum to receive the CFP® designation. They must also have the appropriate Series license. See Page 12 for

explanation of the designation.

The owner of Falcon Financial of Oklahoma, LLC is Christi S. Powell. She was born in 1955. Her formal education consists of a B.S. in Dental Hygiene from the University of Oklahoma Health Sciences Center in 1978. She completed the CFP® course work through Purdue Global University and obtained the CFP® marks in 2007. Her internship was at Comprehensive Financial Planning, Inc. in Oklahoma City from 2004 – 2007.

In July, 2007 FFO was registered as a limited liability company with Christi Powell as the owner and manager. She has been continuously employed at FFO since 2007. 90% of the revenue for FFO comes from asset management, 8-9% comes from financial planning and financial consulting and 1-2% comes from speaking fees.

Christi was granted her CERTIFIED FINANCIAL PLANNER™ designation in 2007 and holds a Series 65 license. She received the RICP®, Retirement Income Certified Professional®, designation in February, 2018. Christi is the only IAR at FFO as of the date of this document. She is registered in the State of Oklahoma and in the State of Texas.

No other disciplinary history and/or conflicts of interest to report

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our office at the telephone number on the cover page of this brochure if you have questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances,



corrective actions we may take include canceling the trade, adjusting an allocation and/or reimbursing your account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the broker-dealer and you will not keep the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

STRUCTURE: Falcon Financial of Oklahoma, LLC is a limited liability company registered in the State of Oklahoma. It is owned by Christi S. Powell.



# Falcon Financial of Oklahoma, LLC

*2019 Annual Disclosure Brochure (Part 2B of Form ADV) for CRD#144612*

January 24, 2019

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**This brochure provides information about the qualifications and business practices of Falcon Financial of Oklahoma, LLC. If you have any questions about the contents of this brochure, please contact us at 405.752.7072. The Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Falcon Financial of Oklahoma, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**PRINCIPAL OWNERS:** All persons providing investment advice through Falcon Financial of Oklahoma, LLC must be a Certified Financial Planner or be currently enrolled in the curriculum to receive the CFP® designation. They must also have the appropriate Series license. See Page 12 for explanation of the designation.

The owner of Falcon Financial of Oklahoma, LLC is Christi S. Powell. She was born in 1955. Her formal education consists of a B.S. in Dental Hygiene from the University of Oklahoma Health Sciences Center in 1978. She completed the CFP® course work through Kaplan University and obtained the CFP® marks in 2007. Her internship was at Comprehensive Financial Planning, Inc. in Oklahoma City from 2004 – 2007. She received the Retirement Income Certified Professional®, RICP®, designation in February, 2018 from The American College of Financial Services.

In July, 2007 FFO was registered as a limited liability company with Christi Powell as the owner and manager. She has been continuously employed at FFO since 2007. 90% of the revenue for FFO comes from asset management, 8-9% comes from financial planning and financial consulting and 1-2% comes from speaking fees.

Christi was granted her CERTIFIED FINANCIAL PLANNER™ designation in 2007 and holds a Series 65 license. She is the only IAR at FFO as of the date of this document. She is registered in the State of Oklahoma.

**DISCIPLINARY  
ACTIONS:** None.

**OTHER BUSINESS  
ACTIVITIES:** Please refer to “Other Financial Industry activities and Affiliations section in attached Part 2A brochure.

**OTHER COMPENSATION:** None

**REQUIREMENTS FOR  
STATE-REGISTRANTS:** Nothing to report

## **Privacy Statement**

At Falcon Financial of Oklahoma, LLC, an independent financial planning firm, we value your business and we want to let you know where we stand on a crucial topic: customer information and privacy. We are committed to safeguarding the confidential information of each of our clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by Falcon Financial of Oklahoma, LLC. We have never disclosed information to nonaffiliated third parties, except as described in this Privacy Statement or as permitted by law, and do not anticipate doing so in the future.

### **Privacy Policy**

We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law.

We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk. File encryption, password protection with frequent change and two- factor identification security measures are also used.

The categories of nonpublic personal information we collect from a client depend upon the scope of the client engagement.

For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.

We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.

Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

Falcon Financial of Oklahoma, LLC, may also share your personally identifiable information with the Certified Financial Planner Board of Standards Inc. (CFP Board) as part of complying with the CFP Board's Code of Ethics and Professional Responsibility. If you prefer that we do not disclose your nonpublic personal information to the CFP Board you can simply opt out of this disclosure by telephoning Christi Powell, CFP®, RICP® at 405.752-7072, by emailing Christi Powell, CFP®, RICP® at [cpowell@pm.me](mailto:cpowell@pm.me) or by using the check off box on this annual disclosure statement.

## Code of Ethics

The Code of Ethics is predicated on the principle that Falcon Financial of Oklahoma, LLC owes a fiduciary duty to its clients. Accordingly, FFO, LLC's Owner and Employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients. At all times, Falcon Financial of Oklahoma, LLC must:

- ***Place client interests ahead of Falcon Financial of Oklahoma, LLC's*** - As a fiduciary, Falcon Financial of Oklahoma, LLC must serve in its clients' best interests at all times. In other words, FFO Owner and Employees may not benefit at the expense of advisory clients. This concept is particularly relevant when Owner and Employees are making personal investments in securities traded by advisory clients. We are committed to the fiduciary duties of honesty, good faith and fair dealing with clients.
- ***Engage in personal investing that is in full compliance with Falcon Financial of Oklahoma, LLC's Code of Ethics*** - Owner and Employees must review and abide by FFO's Personal Securities Transaction and Insider Trading Policies.
- ***Avoid taking advantage of your position*** - Owner and Employees must not accept investment opportunities, gifts or other gratuities from individuals seeking to conduct business with FFO or on behalf of an advisory client, unless in compliance with the Gift Policy of a total value under \$100.
- ***Maintain full compliance with the Federal Securities Laws*** - Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the firm shall prefer his or her own interest to that of the advisory client.

Records will be maintained of all securities bought or sold by the firm, associated persons of the firm, and related entities. A qualified representative of FFO will review these records on a regular basis.

The firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination.

It is further noted that FFO is in, and shall continue to be in, compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, FFO has adopted a firm wide policy statement outlining insider-trading compliance by the firm, its associated persons, and other employees. This statement has been distributed to all associated persons and other employees of FFO and has been signed and dated by each such person. A copy of such firm wide policy is left with each associated person and the original is maintained in a

master file. Further, FFO has adopted a written supervisory procedures statement highlighting the steps that shall be taken to implement the firm wide policy.

*A complete code of ethics statement concerning our firm's policy is available upon request. You may obtain it in person or through a written or electronically delivered request to Christi Powell, CFP®, RICP® at [cpowell@pm.me](mailto:cpowell@pm.me), or simply by calling us at 405.752.7072.*

## **Electronic Delivery of Documents**

FFO uses electronic delivery of documents to quickly, securely, and responsibly deliver client information. We use Morningstar as our portfolio management system. They provide a secure web portal for client use. FFO may post to the portal and a notification email from Morningstar is sent to the client. We may also use OneDrive for Business, a HIPAA and SEC compliant file sharing service, which allows sending and receiving multiple and large files securely using encrypted email. Client establishes their own password to access these services. This password is unknown to FFO and not recoverable by FFO. Sensitive, personal or proprietary information is sent via these services.

Client agrees to receive portfolio reports, billing and FINRA approved third-party analysis via paperless communication. This includes email for non-private correspondence, secure email and secure web portal for private use.

## CFP® Designation Explanation

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.